

**ASSEMBLY BILL**

**No. 16**

**Introduced by Assembly Members Briggs and Matthews  
(Coauthors: Assembly Members Cedillo and Florez)**

May 16, 2001

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An act to add and repeal Section 6357.1 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 16, as introduced, Briggs. Sales and use tax exemption: diesel fuel.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law provides various exemptions from that tax.

This bill would, ~~until September 1, 2001~~ *beginning on July 1, 2001, and ending on January 1, 2002*, additionally exempt from that tax diesel fuel ~~as defined by a specified statute~~ *used in farming activities*.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated by existing law into the local taxes.

This bill would provide that the exemption established by this bill does not apply to local sales or transactions and use taxes, or to certain state tax rates that fund local services.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6357.1 is added to the Revenue and Taxation Code, to read:

6357.1. (a) ~~Until September 1, 2001~~ *On or after July 1, 2001, and before January 1, 2002*, there are exempted from the taxes imposed by this part, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, diesel fuel ~~as defined in Section 60022~~ *used in farming activities*.

(b) *For purposes of this section, "farming activities" has the same meaning as "farming business" as set forth in Section 263A of the Internal Revenue Code. "Farming activities" also includes the transportation and delivery of farming supplies to farmers and the transportation and delivery of farm products to the marketplace.*

(c) The exemption established by this section does not apply with respect to either of the following:

(1) A tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)) or in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).

(2) A tax imposed under Section 6051.2 or 6201.2, or under Section 35 of Article XIII of the California Constitution.

~~(e) This section shall remain in effect until September 1, 2001,~~

(d) *This section shall remain in effect until January 1, 2002, and as of that date is repealed.*

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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